

Message Text

UNCLASSIFIED

PAGE 01 SAN JO 03806 072030Z
ACTION OES-09

INFO OCT-01 ARA-14 ISO-00 DOE-15 SOE-02 /041 W
-----004596 072033Z /66

P 072015Z SEP 78
FM AMEMBASSY SAN JOSE
TO SECSTATE WASHDC PRIORITY 2165

UNCLAS SAN JOSE 3806

FOR OES/NET ATTN: CECILE LEDSKY

E.O. 11652: N/A
TAGS: ENRG, TECH, LDC, CS
SUBJ: COST OF ELECTRICITY PRODUCTION USING CONVENTIONAL ENERGY
SOURCES

REF: STATE 210477

1. FOLLOWING INFORMATION ON ELECTRICITY COST IS KEYED TO SAME
FORMAT AS IN REFTEL:

AVERAGE TOTAL COST OF THERMAL ELECTRICITY GENERATION IS ABOUT 19
MILLS PER KWH; HYDROELECTRIC GENERATION IS ABOUT 8 MILLS PER KWH.

A. AVERAGE DISTANCE OF TRANSMISSION IS APPROXIMATELY 4-5 MILES
THOUGH SOME LINES ARE IN THE 40-50 MILE RANGE.

B. CAPITAL COST OF HYDROELECTRIC POWER PLANT: APPROXIMATELY \$800
PER KWH (BASED ON PROBABLE COSTS FOR PROJECTED NEW HYDROELECTRIC
PLANT); CAPITAL COST OF DIESEL GENERATION IS APPROXIMATELY 55-60
PERCENT OF HYDROELECTRIC WHILE GASOLINE IS 65-70 PERCENT.

C. COST OF MONEY: AVERAGE 8 PERCENT, 20 YEARS AMORTIZATION WHICH
REFLECTS HEAVY RELIANCE ON RELATIVELY LOW INTEREST BORROWING, BOTH
DOMESTICALLY, THROUGH NATIONALIZED BANKING AND INTERNATIONALLY,
THROUGH INTERNATIONAL FINANCIAL INSTITUTIONS. FIXED CHARGE RATE IS
13 PERCENT. DEPRECIATION SCHEDULE IS SET AT TWO-AND-A-HALF PERCENT
PER YEAR.

D. GENERATING CAPACITY (LARGELY HYDROELECTRIC) SERVES INTERCONNECTED
DISTRIBUTION SYSTEM AND HAS A LOAD FACTOR OF APPROXIMATELY 60 PER-
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 SAN JO 03806 072030Z

CENT. NORMAL UTILIZATION FACTOR OF HYDROELECTRIC PLANT IS 98 PER-
CENT ON AN ANNUAL BASIS; CORRESPONDING FIGURES FOR THERMAL PLANTS
IS 80 PERCENT. THERMAL UNITS ARE MAINLY USED AS RESERVE (DURING
DRY SEASON) AND FOR PEAKING.

E. AVERAGE COST OF FUEL IS \$33,000/GHW. ESTIMATED FUEL CONSUMPTION
COST FOR 1978 IS \$7.6 MILLION OR 780,000 BARRELS OF BUNKER AND
DIESEL FUEL; THIS FIGURE WILL FALL TO AN ESTIMATED \$2.5 MILLION OR

200,000 BARRELS IN 1980 BECAUSE OF SUBSTANTIAL ADDITIONAL HYDRO-ELECTRIC CAPACITY THAT IS COMING ON STREAM IN MID-1979.

2. ABOVE INFORMATION SUPPLIED BY ENGINEERS FROM NATIONAL ELECTRIC COMPANY. THEY, AS WELL AS EMBASSY, HAD DIFFICULTY IN UNDERSTANDING SOME QUESTIONS, PARTICULARLY THE FIRST.
WEISSMAN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COSTS, PRODUCTION, ENERGY, ELECTRIC POWER
Control Number: n/a
Copy: SINGLE
Draft Date: 07 sep 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978SANJO03806
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780365-0087
Format: TEL
From: SAN JOSE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780993/aaaacyvq.tel
Line Count: 69
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 53fa6856-c288-dd11-92da-001cc4696bcc
Office: ACTION OES
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 78 STATE 210477
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1518269
Secure: OPEN
Status: NATIVE
Subject: COST OF ELECTRICITY PRODUCTION USING CONVENTIONAL ENERGY SOURCES
TAGS: ENRG, TECH, CS
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/53fa6856-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014